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FISCAL IMPACT STATEMENT

LS 7071

BILL NUMBER: HB 1409

NOTE PREPARED: Jan 12, 2013

BILL AMENDED:

SUBJECT: Worker's Compensation Statutes of Limitations.

FIRST AUTHOR: Rep. McNamara

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that:

- (1) A claim for Worker's Compensation for an injury or disablement through employment must be filed within two years from the date that the employee had knowledge of, or should have known of the existence of, the injury or disablement, with certain conditions;
- (2) An employee injured in the course of employment or who has become disabled by reason of an occupational disease through employment must institute legal proceedings within two years from the date that the employee had knowledge of, or should have known of the existence of, the injury or disablement, with certain conditions, against a person other than the employer that has a legal liability to pay damages; and
- (3) An action may not be brought by an individual not subject to the Worker's Compensation Act who suffers an injury while in the employ of another person unless the action is commenced within two years from the date on which the employee had knowledge of the nature of an injury or, by exercise of reasonable diligence, should have known of the existence of the injury and the causal relationship of the injury to the employment of the employee.

The bill also makes technical corrections.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The impact to the state under the bill would be as an employer in as much as the bill extends the time limitation for filing a Worker's Compensation claim or filing a cause of action from the date that the employee had knowledge of the injury, illness, or disablement through employment.

The bill also extends the time limitations allowed on occupational disease due to the inhalation of silica, coal dust, or asbestos. Under current law, the time limitation is two years from the time of the occurrence and/or cause of action.

State expenditures for Worker's Compensation benefits for FY 2012 were \$2.2 M.

Court Fee Revenue - If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase.

Explanation of State Revenues:

Explanation of Local Expenditures: The impact to local units of government under the bill would be as an employer.

Explanation of Local Revenues: *Court Fee Revenue* - If additional civil actions occur, local governments would receive additional revenue from court fees.

State Agencies Affected: All, Worker's Compensation Board.

Local Agencies Affected: All.

Information Sources: Auditor's reports.

Fiscal Analyst: Stephanie Wells, 232-9866.